



# MACHAKOS UNIVERSITY

University Examinations for 2017/2018 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BANKING, ACCOUNTING & FINANCE

FIRST YEAR FIRST SEMESTER EXAMINATION FOR DIPLOMA IN  
ACCOUNTANCY

DACC 105: MICRO ECONOMICS

DATE: 18/12/2017

TIME: 2:00 – 4:00 PM

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## INSTRUCTIONS:

1. Answer question one compulsory and any other two question.
  2. any form of examination irregularity leads to automatic disqualification.
  3. Additional instructions are contained in the answer booklet
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1. a) Explain briefly four types of demand (10 marks)  
b) Explain briefly the sources of abnormal demand curve. (6 marks)  
c) What are the main factors which may influence the demand of a commodity in the market. (14 marks)
  2. a) Briefly explain the four branches of economics. (10 marks)  
b) Explain various types of economic systems. (10 marks)
  3. a) Explain the levels of production. (6 marks)  
b) Explain the various economies of scale. (14 marks)
  4. a) What factors may influence the supply of a commodity in the market (10 marks)  
b) Graphically explain shifts of the supply curve. (10 marks)
  5. a) List and Explain the characteristics of perfect completion market structure. (10 marks)  
b) What are the key sources of monopoly powers. (10 marks)